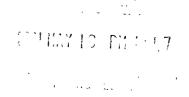


Control Number: 51415

Item Number: 543

Addendum StartPage: 0





## SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO CITIES ADVOCATING REASONABLE DEREGULATION'S SECOND SET OF REQUESTS FOR INFORMATION

## **Question No. CARD 2-13:**

Please provide any adjustments proposed by SWEPCO to Dolet Hills non-fuel O&M expenses or AEPSC billings to SWEPCO to reflect the anticipated retirement of Dolet Hills.

## Response No. CARD 2-13:

SWEPCO has not proposed any adjustments related to Dolet Hills non-fuel O&M expenses or AEPSC billings to SWEPCO to reflect the anticipated retirement of Dolet Hills no later than December 31, 2021. As such, SWEPCO anticipates that Dolet Hills will be providing service to customers at the beginning of the rate year (April 2021) which will result in non-fuel O&M and AEPSC billings. Therefore, SWEPCO's proposal is consistent with 16 TAC § 25.231(c)(2)(F)(iii)(II) regarding post test plant adjustment decreases to rate base. 16 TAC § 25.231(c)(2)(F)(iii)(II) states that plant that has been removed from service, mothballed, sold, or removed from the electric utility's books prior to the rate year should be removed from rate base. Dolet Hills is not expected to be removed from service prior to the rate year. As such it would not be appropriate to remove Dolet Hills non-fuel O&M expenses or AEPSC billings in this case.

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